

EXHIBIT 7

AMERICAN ARBITRATION ASSOCIATION
COMMERCIAL DIVISION

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STRAIGHT A COMPANY, LP,

Claimant,

Case No. 01-19-0004-6511

-against-

LA APPAREL, INC.,

Respondent.

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RESPONDENT'S POST-HEARING MEMORANDUM

Dated: November 23, 2020

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APPENDIX B

**CALCULATION OF PROFIT DISTRIBUTION
UNDER AMENDED FORMULA
FOR 2019**

(From: Exhibit C-4, page 7 "Revised 2-13-2020")

Gross Profit (on Net Sales of \$17,201,791):	\$ 3,882,295
Less: royalties, shared expenses (but not commissions)	(1,028,969)
	=====
Distribution before Profit Reserve and commissions:	2,853,326
Less 5% Profit Reserve (5% of Net Sales above)	<u>(860,089)</u>
DISTRIBUTION POOL:	1,993,237
 (a) <u>to Straight A</u>	
Greater of:	
6% of adjusted shipments (Net Sales):	1,032,107 ¹
OR	
44.5% of Distribution Pool:	886,990
 (b) <u>balance of Distribution Pool to LA Apparel</u>	
after Straight A share of 1,032,107:	961,130 ²

¹ Previously paid to Straight A = 1,032,107, so **Balance due to Straight A = 0.00**

² Previously paid to LA Apparel = 863,589, so **Balance due to LA Apparel = 97,541.00**